Canada Business Holdings Inc.

White Paper

Innovating Public-Private Partnership (PPP) Financing:

The CBH Model vs. Global Practices

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Executive Summary

Canada Business Holdings Inc. (CBH) introduces a transformative model for financing Public-Private Partnership (PPP) infrastructure projects. This white paper presents CBH's project funding and ownership strategy, benchmarked against traditional PPP financing mechanisms globally. The CBH approach stands out for its investor-centric structuring, ethical governance, and innovative gold-hedged fund design. The paper concludes that CBH's model represents a best-in-class evolution of PPP financing.

1. Introduction

PPP models worldwide have enabled infrastructure development by leveraging private capital and expertise for public assets. Yet, many traditional models face challenges such as funding volatility, weak governance, monopolistic structures, and limited exit planning. CBH has developed a refined structure that addresses these issues through a purpose-built investment and management framework.

2. Overview of the CBH PPP Financing Model

CBH's model for PPP project development follows a five-stage process:

1. **Creation of a Project Fund:**
    - Independent legal entity (SPV or Limited Partnership)
    - Gold-hedged, USD-denominated investments
    - Tenure: 5–7 years (construction phase)
    - Capital sources: HNWIs, family offices, sovereign funds, financial institutions

2. **Formation of a Project Operating Company (POC):**
    - Post-construction, a separate entity is established for operation and revenue generation
    - Equity ownership capped at 10% per investor
    - Includes government ownership with sovereign guarantees
3. **Governance and Legal Separation:**
    - Fund and POC are legally and financially independent
    - Separate boards, audit firms, legal counsels
4. **Role of CBH:**
    - Minority stakeholder and strategic advisor
    - Project developer and custodian during fund and operational phases
5. **Exit Strategy:**
    - Public IPO at end of concession term (35–50 years)
    - Priority for share acquisition given to citizens of the host country

3. Benchmarking CBH Model vs. Traditional PPP Practices

Key Element	CBH Approach	Traditional PPP Practice
Fund Structure	Independent SPV with investor focus	Often bank-led debt finance, EPC-backed
Currency & Hedging	USD, gold-hedged	Mixed currencies, minimal inflation hedge
Investor Returns	Profit share + optional equity	Debt repayment or dividends
Exit Strategy	Structured IPO to public	Sponsor sale or long-term hold
Ownership Limits	Max 10% per shareholder	No universal cap, often concentrated
Government Role	Equity partner with guarantees	Regulator/concessioner only
Transparency	Independent audits, separate legal entities	Variable, often consortium-controlled
Capital Sources	HNWIs, sovereign funds, institutions	Mostly banks, DFIs, export credit

4. Strengths of the CBH Model

- **Innovative Risk Mitigation:** Gold-hedged structure protects investor value.
- **Governance Ethics:** Limits on shareholding and separate legal structures prevent abuse.
- **Public-Centric Exit:** IPO to host nation citizens enhances social equity.
- **Flexibility:** Adaptable to various sectors (energy, healthcare, transport).
- **Sustainability:** Long-term operational strategy supported by transparent structures.

5. Potential Implementation Challenges

- **Regulatory Compliance:** Gold-backed funds may require jurisdiction-specific approval.
- **Market Readiness:** IPO exit strategy depends on capital market maturity.
- **Complex Structuring:** Dual-entity setup requires strong legal and financial advisory.

6. Global Standards Comparison

- **World Bank PPP Framework:** CBH aligns with transparency, value for money, and risk-sharing goals.
- **OECD PPP Principles:** CBH meets or exceeds benchmarks on long-term value creation and governance.
- **EU and EIB Guidelines:** CBH's model would require tailored structuring to align with EU procurement rules.

7. Conclusion

CBH's PPP financing model is a next-generation framework that addresses key pitfalls of traditional infrastructure financing. It empowers investors with security, governments with partnership, and local communities with long-term benefit. This approach stands as a scalable, ethical, and innovative pathway for financing the world's future infrastructure.

For more information, partnership inquiries, or investment opportunities, please contact:
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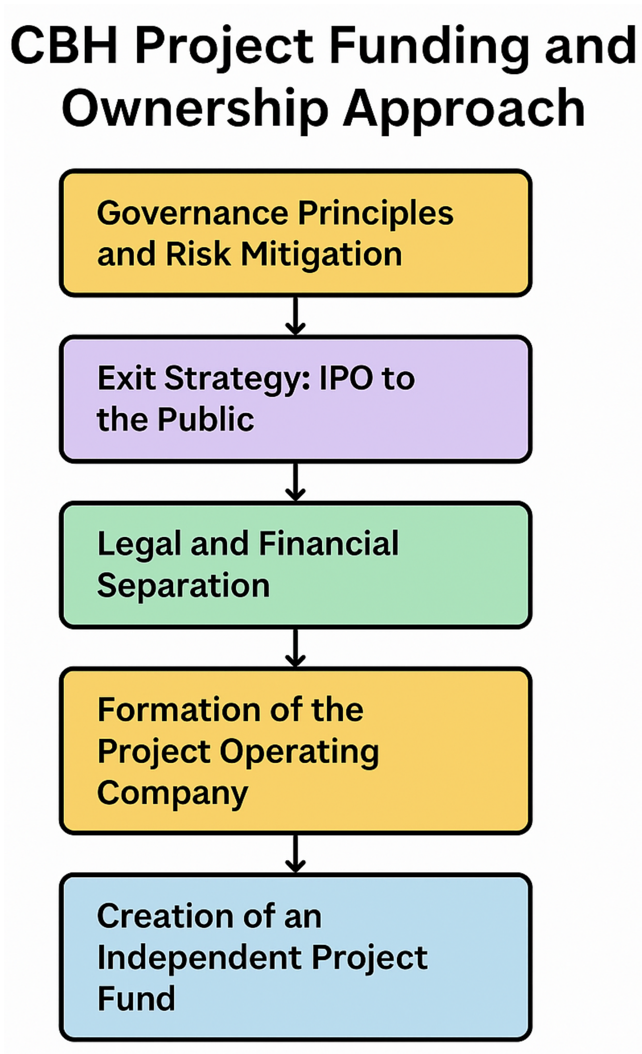
CBH Project Funding and Ownership Approach
Governance Principles and Risk Mitigation
Exit Strategy: IPO to the Public
Legal and Financial Separation
Formation of the Project Operating Company
Creation of an Independent Project Fund

CBH project funding approach (Summary)

1. Establish a project fund, specifically designed and designated for the project to be funded. It is independent of Canada business holdings accounts and financial structure as a company. The fund duration will be for the term of the project, construction and completion. For example, five or seven years. The investors in this fund will put your money in the US dollars and receive their money back (with profits) in the US dollars. The fund will be hedged by gold.
   The source of funds will be from high network, individuals, business families, sovereign, funds, and Financial Institutions as per standard KYC and compliance regulations. The fund will expire after the project is completed in construction and underway in operation.
2. Parallel to the fund at a later stage during the Fund term expiry and exit, a shareholding company will be established to own and manage the project for concession period of the public private partnership project, for example, 50 years.
   Such company we'll have an independent ownership by different investors and based on their shareholding position and capital contribution. It is recommended no single shareholder will have more than 10% ownership of that company to prevent monopoly and abuse of board management power. Therefore, it will enhance the company operational integrity, financial health, and long-term stability and sustainability.
   Whereby the government is a partner in the project company, it is advisable that this government should present sovereign guarantees to the other owners and partners that their interests shall be secured and protected under financial and legal penalty clauses.
3. The project fund and the project company shall be independent legal, and financial entities that is not directly related to the core business operations of Canada Business Holding Inc. Whereby Canada business holdings has the role of project developer and custodian with partial ownership with other partners.
4. Following the expiry of the concession term, Canada Business Holdings will exit its ownership on the company transferring it shares through IPO to the people of the country where the project is built and operated.
5. The project fund and the project ownership and management company shall be independent. LEGAL and Financial structures with clear separation of objectives, goals and purpose. The fund and the company shall have different legal representations and different financial auditing bodies to prevent potential conflict of interest, and whatever possible way.

Strengths of the CBH Model

- **Innovative hedging mechanism** (gold-backed) not typical in most PPP financing
- **Ethical governance** with enforced ownership balance and sovereign guarantees
- **Exit to the public via IPO**, which few PPP models globally integrate
- **Strong alignment between developer, government, and investor incentives**
- **Minimal reliance on debt**, avoiding leverage risk common in project finance

Potential Challenges

- Unconventional hedging may need **regulatory clearance** in some jurisdictions.
- Requires strong **third-party governance** to implement dual-entity structures effectively.
- IPO exit depends on **capital market readiness** in the host country at concession end.
- May need **longer onboarding and structuring time** compared to bank-led deals.

Global Benchmarks Referenced

- **World Bank PPP Framework**: Emphasizes transparent, competitive procurement and value for money — CBH aligns well.
- **OECD Principles on PPP Governance**: CBH meets or exceeds standards on risk-sharing, long-term accountability, and financial transparency.
- **EIB/EU PPP Guidelines**: Focus on affordability and sustainability — CBH’s model supports long-term resilience but may need adaptation for EU procurement laws.

Conclusion

CBH’s approach is **innovative, ethical, and investor-centric**, blending project finance discipline with long-term impact investment principles. It **exceeds many conventional PPP models** in governance, exit planning, and capital diversification, though it must be tailored to local legal, regulatory, and financial ecosystems.